

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING**

**Call to Order:** By **CHAIRMAN DAVE KASTEN**, on February 14, 2003 at 8:30 A.M., in Room 350 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Dave Kasten, Chairman (R)  
Sen. Tom Zook, Vice Chairman (R)  
Rep. Christine Kaufmann (D)  
Sen. Jon Tester (D)  
Sen. Joseph (Joe) Tropila (D)  
Rep. John Witt (R)

**Members Excused:** Sen. Bob Keenan (R)

**Members Absent:** None.

**Staff Present:** Catherine Duncan, Legislative Branch  
Jane Hamman, OBPP  
CJ Johnson, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing & Date Posted: HB 5 - DEPARTMENT OF  
TRANSPORTATION; DEPARTMENT OF  
PUBLIC HEALTH AND HUMAN SAFETY;  
MONTANA UNIVERSITY SYSTEM

Executive Action: None

**HEARING ON HB 5 - LRBP HEARINGS**

**Department of Transportation**

***{Tape: 1; Side: A; Approx. Time Counter: 0 - 7.6}***

**CHAIRMAN KASTEN** opened the hearing on Long Range Building Program for the Department of Transportation (MDT).

**Dave Galt, Director of Transportation, MDT**, addressed the budget before discussing the amendment or hearing the presentation from the MDT staff. He addressed the possibility of the re-authorization from Congress for the highways of \$270 million and other funding options/possibilities.

**CHAIRMAN KASTEN** explained that the amendment takes about \$750,000 from FWP and puts it back into MDT.

***{Tape: 1; Side: A; Approx. Time Counter: 7.6 - 16.5}***

**Dave Galt** continued talking about the MDT budget decisions and what factors went into creating their budget. He explained that they built their budget, it didn't include any appropriation for cultural or historical park roads.

**Jim Currie, MDT**, said that funding for FWP has been coming out of the highway State special revenue fund for over ten years. The purpose is to provide for a mechanism of payment in state parks. Mr. Currie gave a history of funding and appropriation for FWP roads and explained that the \$800 million for State roads affects the State's ending balance of the State special revenue funds.

***{Tape: 1; Side: A; Approx. Time Counter: 16.5 - 25.1}***

**John Blacker, MDT**, distributed a handout showing funds requested for the Long-Range Building Program. He started out with the first project, Statewide Equipment Storage Buildings. MDT has reduced their requests, due to the funding shortage. Mr. Blacker explained how many buildings FWP owns and explained the requested projects. Mr. Blacker referred to the Manhattan site and the LP Anderson buildings in Glendive that was approved last session. He said that the priority is with the property in Glendive, and they would like to pursue that, rather than putting that money into the Manhattan site.

**EXHIBIT(jlh33a01)**

**VICE-CHAIRMAN ZOOK** asked if the two projects are located in the flood plain. **Mr. Blacker** said he did not believe that either of the properties are in the flood plain area.

**John Blacker** continued with the presentation on Page 56 of the Governor's Budget Book. He explained that the substitute proposal (Exhibit 1) takes the \$3 million project funding down to \$2,725,000. The substitute motion delayed the process of the Glasgow facility, since that was the only area where they don't already own the property.

*{Tape: 1; Side: A; Approx. Time Counter: 25.1 - 30}*

**Mr. Blacker** continued on the second page of Exhibit 1, comparing it to the Governor's Book, Page 57. He addressed the projects one-by-one and what is involved with each of them.

**REP. KAUFMANN** wanted to know which fund this money comes from. **Joe Blacker** responded that it all comes out of State special revenue fund; that is why they have gone to such lengths to "make the most" of that money.

**Joe Blacker** went on to the next project, Repair and Maintenance, Page 4 of Exhibit 2 (and Page 59 of the Governor's Budget Book). He explained that they allocate about \$275,000 for incidental maintenance costs, such as a broken window, etc.

*{Tape: 1; Side: B; Approx. Time Counter: 0 - 3.8}*

**SEN. TESTER** asked what the fund balance is. **Joe Blacker** stated that they think the fund will have about \$8-9 million, but it depends on contractor payments.

**Jane Hamman** asked for the specific language for the motion regarding the foregoing of the Manhattan Project and the purchase of the land in Glendive. **Joe Blacker** responded that he does have that available for the Committee.

**VICE-CHAIRMAN ZOOK** closed the hearing on MDT.

#### **Department of Public Health and Human Services (DPHHS)**

*{Tape: 1; Side: B; Approx. Time Counter: 3.8 - 13.3}*

**CHAIRMAN KASTEN** opened the hearing on the Department of Public Health and Human Services (DPHHS).

**Kelly Williams, Administer of Senior and Long Term Care Division, DPHHS**, explained about the Division and the scope of their facilities. She explained the two proposals on Pages 51-55 in the Governor's Budget Book. The first project is the Montana Veteran's Home (MVH) Dormitory Demolition on Page 51. The second project is a request for the renovation of the MVH Old Main Building, Pages 53-55. They had planned to demolish the building but have received sources to renovate it instead. The Division needs the authority to spend \$2,252,000.

**EXHIBIT(jlh33a02)**

**Ms. Williams** distributed an amendment that would provide substitute language on Page 3, Lines 11-14 of HB 5. She said that the new language is not significant in its intent, but is more descriptive in the specific definitions.

**EXHIBIT(jlh33a03)**

**{Tape: 1; Side: B; Approx. Time Counter: 13.3 - 19.3}**

**SEN. TESTER** suggested that private groups might have more flexibility and control over the project if the State weren't involved. **Kelly Williams** explained that private groups don't have the desire and ability to coordinate that yet.

**SEN. ZOOK** asked about the reason for the recommendation change from demolition to renovation. **Ms. Williams** answered that question and explained that funding sources that have been obtained, as well as the historical value of the building.

**CHAIRMAN KASTEN** closed the hearing on DPHHS.

**Montana University System**

**{Tape: 1; Side: B; Approx. Time Counter: 19 - 25.6}**

**CHAIRMAN KASTEN** opened the hearing on the Montana University System.

**Rod Hunsted, Fiscal Affairs, Montana University System**, explained his responsibility to help the campuses put together their combined project priority list. He turned the time over to the individual campuses to explain their requests.

**Montana State University (MSU)**

**Geoff Gamble, President, MSU**, explained Pages 48-50 of the Governor's Budget Book.

**Bob Lashaway, Director of Facility Services, MSU-Bozeman**, explained Exhibit 4 which includes the four project requests.

**EXHIBIT (j1h33a04)**

*{Tape: 1; Side: B; Approx. Time Counter: 25.6 - 30}*

**CHAIRMAN KASTEN** had a question about the roofing requests. **Bob Lashaway** further explained the proposals contain the roofs with the most need. **CHAIRMAN KASTEN** asked about insurance coverage from hailstorm damage to roofs. **Mr. Lashaway** responded that extreme weather damage, such as hail, is generally covered.

*{Tape: 2; Side: A; Approx. Time Counter: 0 - 10.4}*

**Bob Lashaway** went through the history of requests, the funding received, and the progress of the projects for the University System project requests.

*{Tape: 2; Side: A; Approx. Time Counter: 10.4 - 24.9}*

**Mr. Lashaway** stated that the Governor's Budget Office determined that the authority-only requests would come to the Committee. He presented the three authority-only requests, as listed in Exhibit 4. He then talked about the deferred maintenance projects, which total \$17 million. There are five factors that affect deferred maintenance: 1) inflation; 2) back-log deterioration; 3) plant growth; 4) funding - anything that cannot be spent; and 5) deferred maintenance.

*{Tape: 2; Side: A; Approx. Time Counter: 24.9 - 30}*

**Tom O'Connell** further expounded on the percentages of influence those five factors have on total maintenance.

**SEN. TESTER** asked about the classification of deferred maintenance. **Tom O'Connell** answered and gave the amount of total requests that is for deferred maintenance.

**CHAIRMAN KASTEN** explained that the spending authority is in HB 5, so that will be addressed when the Committee goes into executive action. The Committee continued to discuss funding sources with Tom O'Connell and Bob Lashaway.

**University of Montana (U of M)**

***{Tape: 2; Side: B; Approx. Time Counter: 0 - 10.9}***

**George Dennison, President, U of M**, introduced Hugh Jesse, Director of Facility Services, U of M.

**Hugh Jesse** distributed the exhibits and further explained the authority-only project requests and the amendment. Pages 24-26 in the Governor's Budget Book contain the request. This is the agency's #1 request, and is Statewide priority #2. The request is to replace the primary electrical radial system at Montana Tech - Butte. This request is for Phase I and the agency will ask for Phase II in the next biennium.

**EXHIBIT(jlh33a05)**

**EXHIBIT(jlh33a06)**

***{Tape: 2; Side: B; Approx. Time Counter: 11 - 19.2}***

**Hugh Jesse** explained Statewide priority #10 on Pages 48-50 in the Governor's Budget Book, as well as Exhibit 7.

**EXHIBIT(jlh33a07)**

**Mr. Jesse** continued with the next request, Spending Authority - Skaggs Building Addition.

**EXHIBIT(jlh33a08)**

***{Tape: 2; Side: B; Approx. Time Counter: 19.2 - 30}***

**Vernon Grund, Head of Pharmacy, UM**, discussed the programs at the school and stated that UM-Bozeman ranked sixth in the nation out of the 85 pharmaceutical schools. This proposal is for land acquisition to build a new research laboratory building.

**CHAIRMAN KASTEN** made the point that it is sometimes difficult to get spending authority for sciences. **Mr. Grund** stated that they have \$3 million to work with, and are forming a group of interested individuals who support the sciences.

**Jane Hamman** asked for clarification of where the \$3 million came from. **Vernon Grund** stated that the money came from the National Institute of Health (NIH).

***{Tape: 3; Side: A; Approx. Time Counter: 0 - 4}***

**Hugh Jesse** presented the last request and stated that it is not in the Governor's Budget Book, but included the information in Exhibit 9. This is not a request for funding; but it is simply authorization to spend the money they already have. The project is for the Crown of the Continent Ecosystem Interpretive Center and Nature Trail (Yellow Bay).

**EXHIBIT(jlh33a09)**

*{Tape: 3; Side: A; Approx. Time Counter: 4 - 8.3}*

**Hugh Jesse** also referred to the Facilities Condition Inventory to provide information on deferred maintenance.

**EXHIBIT(jlh33a10)**

*{Tape: 3; Side: A; Approx. Time Counter: 8.3 - 20}*

**Hugh Jesse** continued through the last handout, the LRBP Authority-Only Status Report. He explained that the \$750,000 for the Chemistry building addition is from a donation. Mr. Jesse continued through the individual projects listed on the handout.

**EXHIBIT(jlh33a11)**

*{Tape: 3; Side: A; Approx. Time Counter: 20 - 30}*

The Committee continued to ask questions regarding the funding sources and status of specific projects. **Hugh Jesse** mentioned that these proposals are part of their overall master plan for the University System. **Jane Hamman** discussed the blanket spending authority of \$3.5 million. **CHAIRMAN KASTEN** addressed the State commitment regarding the funding.

*{Tape: 3; Side: B; Approx. Time Counter: 0 - 6.8}*

**SEN. ZOOK** asked why the private donators want to ensure State funding support. **George Dennison** explained that donations for public institutions are different than donations for private institutions.

**SEN. TESTER** asked if it would help to push the project out to 2007 instead of 2005 to have enough time to gather funds. **George Dennison** stated that he believed that 2005 would be sufficient, but they would ask for an extension later, if needed.

**Hugh Jesse** explained that operational cost differs from U of M to smaller schools such as HCT; it depends on linear square foot.

**ADJOURNMENT**

Adjournment: 11:25 A.M.

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REP. DAVE KASTEN, Chairman

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CJ JOHNSON, Secretary

DK/CJ

**EXHIBIT** (j1h33aad)